Shortage of LPG in Andhra Pradesh

55. SHRI M.V. MYSURA REDDY: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that there is a shortage of gas supply to the domestic customers especially in Andhra Pradesh;

(b) if so, the reasons for the shortage;

(c) whether it is also a fact that one of the reason is that the dealers are misutilising the domestic gas by selling it to commercial users in black market on high rates; and

(d) if so, the action taken by the Government thereon?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) and (b) Public Sector Oil Marketing Companies (OMCs) have reported that at present, there is no overall shortage of LPG in the country, including the State of Andhra Pradesh and LPG supplies to distributors are being made by the OMCs through indigenous production and imports in accordance with the genuine demand of costomers registered with the LPG distributors. OMCs have further reported that they have supplied 680.45 TMT (thousand metric tonners) of domestic LPG in the State of Andhra Pradesh during the period April 2007 to January 2008 as against 650.46TMT during the corresponding period of last year.

However, OMCs had reported backlog in LPG supplies in certain States in the country, including the State of Andhra Pradesh due to reduction in supply of bulk LPG by Reliance Industries Limited (RIL) & Essar Oil Limited in January, 2008, delay in movement of bulk LPG by rail, increased demand in the States due to severe cold which resulted in panic booking by the costomers, strikes by contract labour etc.

Government has advised OMCs to liquidate the backlog in the States by operating the bottling plants on holidays and during extended hours. Increased bottling is also being done during the working days for early clearance of backlog.

(c) and (d) The possibility of diversion of subsidized domestic LPG cylinders by some unscrupulous elements cannot be ruled out due to the wide gap between the retail price of LPG for domestic use and the market price for commercial LPG.

In order to stop diversion of LPG cylinders, the Government has enacted "Liquefied Petroleum Gas (Regulation of Supply and Distribution) Order, 2000" and formulated "Marketing Discipline Guildelines, 2001" which provides for penal action against LPG distributors indulging in diversion of LPG.

Whenever OMCs receive complaints, these are investigated and if the complaint is established, suitable action is taken against the LPG distributors(s) in acordance with the provisions of the MDG. MDG provides for following action against the distributor:—

— Fine of Rs. 20,000 plus the price of LPG diverted at commercial rates for 1st offence.

— Fine of Rs. 50,000 plus the price of LPG diverted at commercial rates for 2nd offence.

— Termination of the distributorship for 3rd offence.

In addition to the action taken by the OMCs, State Governments are empowered under the LPG (Regulation of Supply & Distribution) Order, 2000 promulgated under the Essential Commodities Act, 1955 to take action against black marketing of domestic LPG. Similarly, the Weights and Measures Departments of the States/UTs initiate legal action against those LPG distributors found supplying under-weight LPG cylinders. The State Goverments have been alerted from time to time to take steps against the black-marketing/diversion of domestic cylinders for unauthorized usage.

Government have issued advertisements cautioning the public that use of domestic LPG for non-domestic purposes is illegal, dangerous and against national interest. Through these advertisements, cooperation of the general public has also been sought to report any irregularity/malpractice to the OMCs.

The officials of OMCs carry out random checks at distributors godowns, delivery points, as well as en-route to ensure that no pilferage takes place. The distributors of OMCs are under strict instructions to check the weight of cylinders at their godowns before delivery, and only cylinders with the specified weight are to be delivered to the customers. The distributors have also been instructed to ensure that the seals are verified & shown to the costomers at the time of delivery. In case any under-weight cylinder is received by the customer, such cylinders are replaced with a fresh refill cylinder without any charges levied by the OMCs.

Hike in fuel price

56. SHRI RAMDAS AGARWAL: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that his Ministry has earned Rs. 40,000 crores, through the tax revenue due to increase in the international prices of oil;

(b) whether the Expenditure Finance Commission has suggested to the Central Government to adopt the policy of revenue neutralization before effecting a fuel price as well as removal of *ad-valorem* surcharges thereon; and

(c) if so, whether Government would take into consideration the above mentioned facts as well as consult all political parties/groups before increasing fuel prices in future?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) The amount of custom duty and excise duty paid by the Public Sector Oil Companies during the period of Apr-Dec' 06 and Apr.-Dec' 07 are given below:

(Rs.in crore)

	Custom Duty	Excise Duty	Total
Apr.-Dec' 06	7632.23	42117.96	49750.19
Apr.-Dec'07	7804.32	44123.07	51927.39

Note : 1. Excise Duty includes OIDB Cess paid by oil companies

2. The above data has been provided by oil companies.